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# A BILL FOR AN ACT

RELATING TO THE BUDGET.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The State began using Hawaii tobacco settlement  
2 special fund moneys fifteen years ago to support tobacco  
3 prevention and control, health promotion, disease prevention,  
4 and children's health programs. Since then, the State has made  
5 great strides in tobacco prevention and control; however, the  
6 legislature finds that the revenue stream into the Hawaii  
7 tobacco settlement special fund has fluctuated. In addition,  
8 varying state needs for tobacco prevention and control programs  
9 have led to significant variations in the allocations from the  
10 Hawaii tobacco settlement special fund from year to year.

11       The purpose of this Act is to enable greater budgetary  
12 stability and transparency over state funds and maximize  
13 financial resources for tobacco prevention and control by:

14       (1) Amending the distribution amounts allocated from the  
15       Hawaii tobacco settlement special fund; and



(2) Appropriating general fund revenues to budget programs and items that were formerly supported by the Hawaii tobacco settlement special fund.

SECTION 2. Section 328L-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The fund shall be used for the purpose of receiving, allocating, and appropriating the tobacco settlement moneys as follows:

(1) ~~[Twenty-four and one-half]~~ Fifteen per cent shall be appropriated into the emergency and budget reserve fund under section 328L-3;

~~[(2) Thirty-five per cent shall be appropriated to the department for purposes of section 328L-4;~~

~~+(3)]~~ (2) Twelve and one-half per cent shall be appropriated into the Hawaii tobacco prevention and control trust fund under section 328L-5; and

~~[(4) Twenty-eight]~~ (3) Twenty-six per cent shall be appropriated into the university revenue-under takings fund created in section ~~[304A-2167],~~ 304A-2167.5, to be applied ~~[solely]~~ to the payment of the principal of and interest on, and to generate required coverage, if



1 any, for, revenue bonds issued by the board of regents  
2 of the University of Hawaii to finance the cost of  
3 construction of a university health and wellness  
4 center, including a new medical school facility, to be  
5 situated on the island of Oahu[, ~~for the succeeding~~  
6 ~~fiscal year; provided that any moneys in excess of the~~  
7 ~~amount required to pay principal of and interest on,~~  
8 ~~and to generate required coverage, if any, for such~~  
9 ~~revenue bonds in any fiscal year, shall be transferred~~  
10 ~~as follows:~~

11 ~~(A) To the emergency and budget reserve fund under~~  
12 ~~section 328L-3, eighty per cent of the excess,~~  
13 ~~and~~

14 ~~(B) To the Hawaii tobacco prevention and control~~  
15 ~~trust fund under section 328L-5, twenty per cent~~  
16 ~~of the excess]; and~~

17 (4) Any remaining amounts shall be deposited to the credit  
18 of the state general fund;

19 in the succeeding fiscal year."

20 SECTION 3. Section 328L-5, Hawaii Revised Statutes, is  
21 amended as follows:



1           1.    By amending subsection (a) to read:

2           "(a)   There is established the Hawaii tobacco prevention  
3   and control trust fund as a separate fund of a nonprofit entity  
4   having a board of directors and qualifying under section  
5   501(c)(3) of the Internal Revenue Code of 1986, as amended, into  
6   which shall be deposited moneys received as provided under  
7   section [~~328L-2(b)(3)~~] 328L-2(b)(2).   The director of health  
8   with the concurrence of the governor, shall select, in  
9   accordance with law, the entity based upon the proven record of  
10   accomplishment of the entity in administering a similar trust  
11   fund."

12          2.    By amending subsection (e) to read:

13          "(e)   The assets of the Hawaii tobacco prevention and  
14   control trust fund shall consist of:

- 15           (1)   Moneys appropriated under section [~~328L-2(b)(3)~~] 328L-  
16                 (b)(2);
- 17           (2)   Moneys appropriated to the Hawaii tobacco prevention  
18                 and control trust fund by the state, county, or  
19                 federal government;
- 20           (3)   Private contributions of cash or property; and
- 21           (4)   Income and capital gains earned by the trust fund."



1 SECTION 4. Section 328L-4, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§328L-4 Use of funds appropriated to the department.~~

4 ~~The department, immediately upon receipt of the moneys~~  
5 ~~appropriated pursuant to section 328L-2(b)(2) shall:~~

6 ~~(1) Transfer up to ten per cent of the total moneys~~  
7 ~~received by the State from tobacco settlement moneys~~  
8 ~~to the department of human services for the children's~~  
9 ~~health insurance program; and~~

10 ~~(2) Expend the remainder of the moneys received by the~~  
11 ~~department for health promotion and disease prevention~~  
12 ~~programs, including but not limited to, maternal child~~  
13 ~~health and child development programs, promotion of~~  
14 ~~healthy lifestyles (including fitness, nutrition, and~~  
15 ~~tobacco control), and prevention oriented public~~  
16 ~~health programs.~~

17 ~~For purposes of paragraph (2), the director shall convene~~  
18 ~~an advisory group that shall be separate from the tobacco~~  
19 ~~prevention and control advisory board, to strategically plan the~~  
20 ~~development and implementation of preventive systems to achieve~~  
21 ~~measurable outcomes and to make recommendations for the~~



~~1 expenditure of these moneys. The advisory group shall be~~  
~~2 composed of nine members with expertise in the programs under~~  
~~3 paragraph (2), and shall be selected at the discretion of the~~  
~~4 director." ]~~

5 SECTION 5. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$4,716,750 or so much  
7 thereof as may be necessary for fiscal year 2015-2016 and the  
8 same sum or so much thereof as may be necessary for fiscal year  
9 2016-2017 for health care payments (HMS401) for operating  
10 expenses of the children's health insurance program.

11 The sums appropriated shall be expended by the department  
12 of human services for the purposes of this Act.

13 SECTION 6. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$6,363,263 or so much  
15 thereof as may be necessary for fiscal year 2015-2016 and the  
16 sum of \$6,446,158 or so much thereof as may be necessary for  
17 fiscal year 2016-2017 for chronic disease prevention and health  
18 promotion (HTH590) for tobacco prevention, nutrition, physical  
19 activity, and chronic disease related programs.

20 The sums appropriated shall be expended by the department  
21 of health for the purposes of this Act.



1       SECTION 7. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$3,000,000 or so much  
3 thereof as may be necessary for fiscal year 2015-2016 and the  
4 same sum or so much thereof as may be necessary for fiscal year  
5 2016-2017 for family health services (HTH560) to be matched by  
6 \$9,000,000 in federal funds for the Hawaii Home Visiting Network  
7 program.

8       The sums appropriated shall be expended by the department  
9 of health for the purposes of this Act.

10       SECTION 8. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12       SECTION 9. This Act shall take effect on July 1, 2015.



**Report Title:**

Hawaii Tobacco Settlement Special Fund; Budget; MSA; Tobacco Settlement

**Description:**

Amends allocations from the Hawaii Tobacco Settlement Special Fund. Appropriates general fund revenues to various programs supported by Hawaii Tobacco Settlement funds. (SB101 HD1)

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